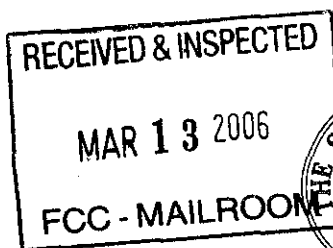


Paul Hudson
Chairman
Julie Parsley
Commissioner
Barry T. Smitherman
Commissioner
W. Lane Lanford
Executive Director



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PUBLIC UTILITY COMMISSION
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Public Utility Commission of Texas

Marlene H. Dortch - Secretary
Federal Communications Commission
445 Twelfth Street, S.W. - TWA 325
Washington, D.C. 20554

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Irene Flannery - Vice-President of High Cost and Low Income Divisions
Universal Service Administrative Company
2000 L. Street, NW - Suite 200
Washington, D.C. 20036

February 28, 2006

RE: Federal-State Joint Board on Universal Service, CC Docket No. 96-45

TPUC Project No. 25787 - FCC Letters Regarding ETC Designation Pursuant to FTA '96 §214(e) (2)

TPUC Docket No. 32258 - Application of Cleartel Telecommunications, Inc. for Designation as an Eligible Telecommunications Carrier (ETC) and an Eligible Telecommunications Provider (ETP)

ETC Designation of Cleartel Telecommunications, Inc.

Pursuant to Section 214(e) (2) of the Communications Act of 1934, as amended (the "Act") and 47 C.F.R. sections 54.201 - 54.203, the Texas Public Utility Commission (TPUC) has granted eligible telecommunications carrier (ETC) designation to Cleartel Telecommunications, Inc. (Cleartel). The attached *Order No. 3*, Docket No. 32258, issued on February 27, 2006 grants Cleartel ETC designation in the local exchanges of Southwestern Bell Telephone Company (AT&T Texas), specifically the Southwestern Bell Telephone Company wire centers listed in the Commission's Final Order, Attachment D, in Docket No. 18515 on January 14, 2000.

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If you require any additional information please call Rick Talbot at (512)-936-7257.

Sincerely,

A handwritten signature in black ink, appearing to read "Rick Talbot". The signature is fluid and cursive, with the first name "Rick" and last name "Talbot" clearly distinguishable.

Rick Talbot – Policy Analyst
Communication Industry Oversight Division - Texas Public Utility Commission

cc: attachments

PATUSF\32258-Cleartel ETC-ETP\32258 Cleartel FCC USAC Letter.doc

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MAR 13 2006

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DOCKET NO. 32258

**APPLICATION OF CLEARTEL
TELECOMMUNICATIONS, INC. FOR
DESIGNATION AS AN ELIGIBLE
TELECOMMUNICATIONS CARRIER
(ETC) AND AS AN ELIGIBLE
TELECOMMUNICATIONS PROVIDER
(ETP)**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

**ORDER NO. 3
NOTICE OF APPROVAL FOR DESIGNATION AS
AN ELIGIBLE TELECOMMUNICATIONS CARRIER (ETC) AND
ELIGIBLE TELECOMMUNICATIONS PROVIDER (ETP)**

Procedural History

On January 9, 2006, Cleartel Telecommunications, Inc. (Cleartel) filed an application for designation as an eligible telecommunications carrier (ETC) and an eligible telecommunications provider (ETP) pursuant to 47 U.S.C. §214(e), and P.U.C. SUBST. R. 26.418 and 26.417 respectively. An amended application was filed on February 7, 2006. Cleartel requested ETP/ETC designation in the local exchanges of Southwestern Bell Telephone Company of Texas (now known as AT&T Texas), specifically, the wire centers listed in the Public Utility Commission of Texas' (Commission) Final Order, Attachment D, in Docket No. 18515 filed on January 14, 2000.

The Commission issued Order No. 1 in this proceeding which established a procedural schedule, including deadlines for comment and motions to intervene. Notice was published in the *Texas Register* on January 27, 2006. Pursuant to P.U.C. SUBST. R. 26.417(f)(2)(A)(i) and 26.418(g)(2)(A)(i), the effective date shall be no earlier than 30 days after the filing date of the application or 30 days after notice is completed, whichever is later. Therefore, the earliest effective date for this proceeding is February 27, 2006.

No objection, comment, or motions to intervene were filed, and no hearing was requested. P.U.C. SUBST. R. 26.417(f)(2)(A) provides that applications for ETC/ETP designation may be reviewed administratively.

On February 22, 2006, Commission Staff (Staff) filed a recommendation for approval of ETC and ETP status for Cleartel based on the following:

Designation as Eligible Telecommunications Carrier

To qualify for ETC status, a carrier must meet four conditions:¹

1. The carrier must be a common carrier, as that term is defined by the Federal Telecommunications Act of 1996 (FTA '96), Section 3(10).
2. The carrier must offer the following services (requisite services),² using its own facilities or a combination of its own facilities and the resale of another carrier's services:³
 - (a) voice grade access to the public switched network;
 - (b) local usage;
 - (c) dual tone multi frequency signaling or its functional equivalent;
 - (d) single party service or its functional equivalent;
 - (e) access to emergency services, including such services as 911 or enhanced 911;
 - (f) access to operator services;
 - (g) access to interexchange service;
 - (h) access to directory assistance; and
 - (i) toll limitation for qualifying low income customers.⁴
3. The carrier must advertise the availability of and charges for the requisite services in a media of general distribution.⁵
4. The carrier must provide Lifeline and Link Up support, and may not collect a deposit from a customer receiving such support if the customer also elects toll blocking.⁶

¹ 47 C.F.R. § 54.201(b)-(d) (2001).

² 47 C.F.R. § 54.101 (2001).

³ 47 C.F.R. § 54.201 (2001).

⁴ Pursuant to FTA § 54.400(d), the FCC defines "toll limitation" as either toll blocking or toll control for eligible telecommunications carriers that are incapable of providing both service.

⁵ *Id.*

⁶ 47 C.F.R. § 54.405 (2001).

Cleartel meets all of the above criteria. Cleartel will advertise the designated services and their rates through notices using media of general distribution. Cleartel will provide the required services by utilizing local loop and switch port equipment which it currently leases from AT&T Texas as unbundled network elements. Cleartel made a commitment to offer Lifeline and Link-Up support.

Cleartel has not requested any waivers of Federal Communications Commission (FCC) requirements. Cleartel does not offer toll control, but on December 30, 1997, the FCC clarified its Order regarding "toll limitation" to require a carrier to offer only one form, either toll blocking or toll control, for designation as an ETC. On August 13, 1998, the Commission, in Docket No. 18100, *General Counsel's Petition for Designation of Eligible Telecommunications Carriers Under 47 U.S.C. Section 214(e)*, recognized this clarification in Order No. 6, *Finding Applicants In Compliance With Requirement To Provide Toll Limitation Service, And Relieving Them Of Obligation to Obtain Waiver*. Cleartel offers toll blocking and therefore meets this criterion.

AT&T Texas serves the exchanges for which Cleartel requests Universal Service Fund (USF) support. AT&T Texas is not a rural carrier.

Staff's analysis of the application concludes that Cleartel meets all requirements established by the FCC for designation as an ETC.

Designation as Eligible Telecommunications Provider

P.U.C. SUBST. R. 26.417(f)(1)(B)(i)(I) requires carriers applying for ETP status to meet the definition of a local exchange carrier as defined in P.U.C. SUBST. R. 26.5. Cleartel meets this definition.

P.U.C. SUBST. R. 26.417(f)(1)(B)(i)(II) requires carriers applying for ETP status to show they have been granted ETC status for federal USF support pursuant to 47 U.S.C. §214(e). ETP and ETC designations are being handled concurrently in this consolidated docket.

P.U.C. SUBST. R. 26.417(f)(1)(B)(i)(III) requires carriers to specify the small or rural incumbent local exchange carriers (ILEC) service area in which they propose to be an ETP. AT&T Texas is not a rural carrier.

P.U.C. SUBST. R. 26.417(f)(1)(B)(i)(III), requires that applicants for ETP status show they offer the designated services defined in P.U.C. SUBST. R. 26.403 throughout the Texas High Cost Universal Service Plan or small and rural ILEC service area for which the carriers seek ETP status. The designated services required for ETP status are:⁷

1. flat rate, single party residential and business local exchange telephone service, including primary directory listings;
2. tone dialing service;
3. access to operator services;
4. access to directory assistance services;
5. access to 911 service when provided by local authority;
6. dual party relay service;
7. ability to report service problems seven days a week;
8. availability of annual local directory;
9. access to toll services; and
10. lifeline and link up services.

P.U.C. SUBST. R. 26.417(f)(1)(B)(i)(III) also requires the applicant to assume the obligation to provide the services required under P.U.C. SUBST. R. 26.403 to any customer. Cleartel states that it meets and assumes the responsibility to offer the basic services defined in P.U.C. SUBST. R. 26.403 to all customers in its exchanges.

P.U.C. SUBST. R. 26.417(f)(1)(B)(i)(IV) requires that applicants show they offer the designated services through a means other than total service resale. Cleartel offers services through the use of its facilities that it leases from AT&T Texas and therefore meets this requirement.

⁷ P.U.C. SUBST. R. 26.403(d)(1) Texas High Cost Universal Service Plan (THCUSP).

P.U.C. SUBST. R. 26.417(f)(1)(B)(i)(V) – (VI) requires applicants to show that they have offered continuous service that meets the quality of service standards in P.U.C. SUBST. R. 26.52 – 26.54, and that they offer Lifeline and Link-Up services in compliance with P.U.C. SUBST. R. 26.412. Cleartel meets these requirements. P.U.C. SUBST. R. 26.417(f)(1)(B)(i)(VII) requires applicants to advertise the availability of, and charges for, the designated services using media of general distribution. Cleartel meets this requirement.

Cleartel has also committed to offering the required designated services at a rate not to exceed 150 percent of the ILEC's tariffed rate in the same designated areas pursuant to the requirements of P.U.C. SUBST. R. 26.417(c)(1)(B).

Staff's analysis of the application concludes that Cleartel meets the requirements established by P.U.C. SUBST. R. 26.417 for designation as an ETP.


Staff recommended that Cleartel be granted ETC and ETP designation and that Cleartel be required to file its Lifeline Service Tariff in Project No. 27385 for the public record.

Ordering Paragraph

In accordance with Staff's recommendation and for all the reasons stated therein, pursuant to the FTA § 214(e)(2) and P.U.C. SUBST. R. 26.418, Cleartel's application for ETC and ETP designation is **APPROVED**, as amended, effective February 27, 2006; pursuant to P.U.C. SUBST. R. 26.417, and 26.418. Cleartel shall file its Lifeline Service Tariff in Project No. 27385 for the public record.

SIGNED AT AUSTIN, TEXAS ON the 27th day of February 2006.

PUBLIC UTILITY COMMISSION OF TEXAS


IRENE MONTELONGO
ADMINISTRATIVE LAW JUDGE